

crimes legislation that would add new categories to current hate crimes law, sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

Last month, a 19-year-old gay man from New York was brutally murdered. The victim's dismembered limbs were found throughout Brooklyn, including inside a subway tunnel.

I believe that the Government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act is a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

Mr. LEVIN. Mr. President, I am pleased to join Senator LAUTENBERG in introducing the Terrorist Apprehension Record Retention Act. I cosponsored the Terrorist Apprehension Record Retention Act because I believe it is commonsense legislation which will strengthen our homeland security.

According to the Brady Handgun Violence Prevention Act, anyone seeking to purchase or obtain a permit to possess, acquire, or carry firearms must undergo a background check through the National Instant Criminal Background Check System, or NICS. This process requires the applicant to provide a variety of personal information including name, date of birth, current residence, and country of citizenship which is then compared with data in the NICS system to determine whether the person is prohibited by law from receiving or possessing firearms. Disqualifying criteria include felony convictions and fugitive or illegal alien status. If no disqualifying information is found within 3 business days, the transaction is allowed to continue.

As part of the background check, applicants are also checked against known terrorist watch lists. However, under current law, membership in a known terrorist organization does not automatically disqualify an applicant from receiving or possessing a firearm. In cases where a positive match is made, Federal authorities search for other disqualifying information. If no disqualifying information can be found within 3 business days, the transaction is permitted to continue. In addition, all records pertaining to a positive match of an applicant to a terrorist watch list must, under current law, be destroyed within 24 hours if no disqualifying information is found.

A report released by the General Accountability Office on March 8, 2005, found that from February 3, 2004, through June 30, 2004, a total of 44 firearm purchase attempts were made by individuals designated as known or suspected terrorists by the Federal Government. In 35 cases, the transactions were authorized to proceed because Federal authorities were unable to find any disqualifying information.

Federal Bureau of Investigation counterterrorism officials stated "receiving all available personal identifying information and other details from terrorism-related NICS transactions could be useful in conducting investigations." Currently, counterterrorism officials do not have access to the majority of these records because they are destroyed within 24 hours of the transaction in the absence of disqualifying information.

The Terrorist Apprehension Record Retention Act addresses this issue by requiring that in cases where an NICS background check turns up a valid match to a terrorist watch list, all records pertaining to the transaction be retained for 10 years. In addition, the bill requires that all NICS information be shared with appropriate Federal and State counterterrorism officials anytime an individual on a terrorist watch list attempts to buy a firearm. Learning about a suspected terrorist's purchase of a firearm could potentially be critical to counterterrorism investigators working to prevent a terrorist attack.

This bill takes a commonsense approach to assisting Federal authorities in monitoring and apprehending suspected terrorists without compromising the privacy rights of law-abiding citizens. I am hopeful that the Congress will take up and pass this legislation to give Federal and State counterterrorism officials the information they need to help keep our families and communities safe.

#### AFRO-COLOMBIANS AND THE LEADERSHIP OF THE CBC

Mr. OBAMA. Today I wish to commend Congressman BOBBY RUSH and other members of the Congressional Black Caucus for their work on behalf of Afro-Colombians. The consistent advocacy of the CBC on this human rights issue has been critical to increasing consciousness and activism in the U.S. and Colombia. Significant progress has made through this alliance, and I look forward to working with the CBC and other community groups on this issue.

Throughout Latin America, Afro-Latino communities remain marginalized—socially, economically and politically. In the case of Colombia, the violence and disruption of the country's 40-year civil conflict have disproportionately affected Afro-Colombians. Many are now refugees in their own country after being forced to leave their homes, and they face widespread racial discrimination as they try to rebuild their lives. Although Colombia's 1991 Constitution granted Afro-Colombians territorial rights to the land they historically held, these rights are now being increasingly violated, as this land is taken from them. With little or no economic and educational opportunities available, many Afro-Colombian youths have turned to coca cultivation or joined guerrilla forces.

With the rise of Afro-Colombian advocacy groups and NGOs in Colombia, I believe it is possible to foster meaningful partnerships and alliances for positive change in this region. In addition to the CBC, there are many members of the religious community—in my home State of Illinois and across our country—who are working on behalf of Afro-Colombians. I commend them on their dedication to this important cause. Together we can and will make a difference.

#### BUDGET ESTIMATE—S. 600

Mr. LUGAR. Mr. President, when the committee report (109-35) to accompany S. 600 was printed, the Congressional Budget Office's cost estimate was not yet available. I ask unanimous consent that it now be printed in the CONGRESSIONAL RECORD. Also, the same report contained a table with a clerical error. I ask unanimous consent that the corrected table be printed in today's RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Congressional Budget Office Cost Estimate for the Foreign Affairs Authorization Act, Fiscal Years 2006 and 2007

#### COST ESTIMATE

In accordance with rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee provides the following estimate of the cost of this legislation prepared by the Congressional Budget Office.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, March 18, 2005.

Hon. RICHARD G. LUGAR, *Chairman,*  
*Committee on Foreign Relations, U.S. Senate,*  
Washington, DC.

DEAR MR. CHAIRMAN:

The Congressional Budget Office has prepared the enclosed cost estimate for S. 600, the Foreign Affairs Authorization Act, Fiscal Years 2006 and 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Sunita D'Monte.

Sincerely,

DOUGLAS HOLTZ-EAKIN, *Director.*

Enclosure.

cc: Hon. Joseph R. Biden, Jr., *Ranking Minority Member*

#### CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

S. 600—FOREIGN AFFAIRS AUTHORIZATION ACT,  
FISCAL YEARS 2006 AND 2007

*As reported by the Senate Committee on Foreign Relations on March 10, 2005*

#### SUMMARY

S. 600 would authorize appropriations of almost \$30 billion in 2006 and such sums as may be necessary in 2007 for the Department of State, international assistance programs, and related agencies. The bill also contains provisions that would raise the cost of discretionary programs for famine and reconstruction assistance, debt relief, public diplomacy, personnel, and other programs over the 2007-2010 period. CBO estimates that those provisions and the indefinite authorizations for 2007 would require appropriations of \$34 billion over those four years. CBO estimates that implementing the bill would cost about \$59 billion over the 2006-2010 period, assuming the appropriation of the necessary amounts.

CBO estimates that S. 600 would raise direct spending by \$33 million in 2006 and by \$87 million over the 2006–2015 period. S. 600 also would increase governmental receipts (*i.e.*, revenues) by an insignificant amount each year by creating new criminal penalties related to law enforcement and protective functions of State Department special agents and guards. Finally, the Joint Committee on

Taxation estimates that the bill would lower revenues by less than \$500,000 a year by exempting employees of the U.S. Mission to the United Nations in New York City from paying taxes on their housing allowance.

S. 600 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

#### ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 600 is shown in Table 1. The costs of this legislation fall within budget functions 150 (international affairs), 300 (natural resources and environment), 600 (income security), 750 (administration of justice), and 800 (general government).

TABLE 1.—BUDGETARY IMPACT OF S. 600, THE FOREIGN AFFAIRS AUTHORIZATION ACT, FISCAL YEARS 2006 AND 2007

(By fiscal year, in millions of dollars)

|   | 2005   | 2006   | 2007   | 2008   | 2009  | 2010  |
|---|--------|--------|--------|--------|-------|-------|
| SPENDING SUBJECT TO APPROPRIATION   |        |        |        |        |       |       |
| Spending Under Current Law for State Department, International Assistance Programs, and Related Agencies: |        |        |        |        |       |       |
| Estimated Authorization Level <sup>1,2</sup>  | 27,264 | 2,564  | 2,604  | 2,655  | 0     | 0     |
| Estimated Outlays   | 26,805 | 14,288 | 7,906  | 5,492  | 3,389 | 1,416 |
| Proposed Changes:   |        |        |        |        |       |       |
| Estimated Authorization Level <sup>3</sup>  | 0      | 29,872 | 30,748 | 1,035  | 1,133 | 1,226 |
| Estimated Outlays   | 0      | 14,690 | 22,904 | 11,664 | 5,994 | 3,666 |
| Spending Under S. 2144 for State Department, International Assistance Programs, and Related Agencies:     |        |        |        |        |       |       |
| Estimated Authorization Level <sup>2,3</sup>  | 27,264 | 32,436 | 33,352 | 3,690  | 1,133 | 1,226 |
| Estimated Outlays   | 26,805 | 28,978 | 30,810 | 17,156 | 9,383 | 5,082 |
| CHANGES IN DIRECT SPENDING AND REVENUES <sup>4</sup>  |        |        |        |        |       |       |
| Estimated Budget Authority  | 0      | 81     | 21     | 21     | 21    | 21    |
| Estimated Outlays   | 0      | 33     | 14     | 11     | 11    | 11    |

<sup>1</sup> The 2005 level is the amount appropriated for that year.

<sup>2</sup> The estimated authorization levels over the 2006–2008 period are for international HIV/AIDS programs authorized by Public Law 108–25, the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 for the Global HIV/AIDS Initiative and Child Survival and Disease and other programs. That act authorized the appropriation of \$15 billion for the 2004–2008 period for HIV/AIDS programs, including programs administered by the Department of Health and Human Services.

<sup>3</sup> These amounts do not include costs for section 213 of the bill because CBO cannot estimate the timing or amounts that may be necessary to implement those provisions.

<sup>4</sup> In addition to the effects shown for direct spending, CBO estimates that provisions that would increase or decrease revenues would have a net effect of less than \$500,000 each year over the 2006–2015 period.

#### BASIS OF ESTIMATE

The bill would authorize appropriations for the Department of State and international broadcasting activities for fiscal years 2006 and 2007. It would be the first comprehensive foreign assistance authorization act since the mid-1980s—authorizing funding for most existing assistance programs and also several new ones. The bill also would raise direct spending by \$33 million in 2006 and by \$87 million over the 2006–2015 period. Finally, S. 600 would affect governmental receipts (revenues), but CBO estimates that the net effect would be less than \$500,000 a year.

#### Spending Subject to Appropriation

S. 600 would authorize appropriations at the specified level of \$29.8 billion in 2006 and for such sums as may be necessary for 2007 for the State Department, international assistance programs, and related agencies. Of

the 2006 amount, nearly \$0.6 billion would be for HIV/AIDS programs that are currently authorized in existing law. The bill would authorize new programs that would affect costs for stabilization and reconstruction activities and assistance, safe water, debt relief, public diplomacy, personnel, and other programs. CBO estimates that implementing those provisions would require additional appropriations of \$0.7 billion in 2006 and \$4.4 billion over the 2007–2010 period. For this estimate, CBO assumes that the authorized amounts will be appropriated near the start of each fiscal year and that outlays will follow historical spending patterns for the existing and similar programs.

*Specified Authorizations.* The authorizations of appropriations in this bill cover the operating expenses and programs of the Department of State, the U.S. Agency for International Development, the Broadcasting

Board of Governors (BBG), the Peace Corps, and the Millennium Challenge Corporation. The authorization levels for 2006 are equal to the President's request for international affairs spending.

As shown in Table 2, S. 600 would authorize the appropriation of \$10.3 billion for international development and humanitarian assistance programs—not counting HIV/AIDS programs, \$8.3 billion for international security assistance programs, \$9.2 billion for the State Department for programs related to the administration of foreign affairs, international organizations, and other associated programs, \$1.2 billion for international broadcasting and exchange activities, and \$0.1 billion for international commissions. Except where otherwise discussed, CBO estimated authorizations for 2007 at the amount specified in 2006 adjusted for inflation.

TABLE 2.—ESTIMATED AUTHORIZATIONS IN S. 600, THE FOREIGN AFFAIRS AUTHORIZATION ACT, FISCAL YEARS 2006 AND 2007

|   | By fiscal year, in millions of dollars— |        |        |       |       |
|---|---|--------|--------|-------|-------|
|   | 2006                                    | 2007   | 2008   | 2009  | 2010  |
| Estimated Authorizations for Existing Programs <sup>1</sup>     |   |        |        |       |       |
| International Development and Humanitarian Assistance:          |   |        |        |       |       |
| Estimated Authorization Level <sup>2</sup>                      | 10,344                                  | 10,518 | 0      | 0     | 0     |
| Estimated Outlays   | 2,930                                   | 6,780  | 5,673  | 2,750 | 1,257 |
| International Security Assistance:                              |   |        |        |       |       |
| Estimated Authorization Level                                   | 8,348                                   | 8,491  | 0      | 0     | 0     |
| Estimated Outlays   | 4,890                                   | 6,742  | 2,606  | 1,251 | 657   |
| Conduct of Foreign Affairs:                                     |   |        |        |       |       |
| Estimated Authorization Level                                   | 9,237                                   | 9,436  | 0      | 0     | 0     |
| Estimated Outlays   | 5,904                                   | 7,820  | 2,356  | 1,051 | 737   |
| Foreign Information and Exchange Activities:                    |   |        |        |       |       |
| Estimated Authorization Level                                   | 1,185                                   | 1,209  | 0      | 0     | 0     |
| Estimated Outlays   | 810                                     | 1,129  | 357    | 67    | 23    |
| Other Programs:   |   |        |        |       |       |
| Estimated Authorization Level                                   | 72                                      | 73     | 0      | 0     | 0     |
| Estimated Outlays   | 59                                      | 67     | 12     | 6     | 1     |
| Total Authorizations for Existing Programs:                     |   |        |        |       |       |
| Estimated Authorization Level                                   | 29,186                                  | 29,727 | 0      | 0     | 0     |
| Estimated Outlays   | 14,593                                  | 22,538 | 11,004 | 5,125 | 2,675 |
| Estimated Authorizations for New or Expanded Programs           |   |        |        |       |       |
| Reconstruction & Stabilization Civilian Management Act of 2005: |   |        |        |       |       |
| Estimated Authorization Level                                   | 124                                     | 127    | 128    | 131   | 134   |
| Estimated Outlays   | 57                                      | 111    | 124    | 128   | 131   |
| Famine and Reconstruction Assistance:                           |   |        |        |       |       |
| Estimated Authorization Level                                   | 500                                     | 508    | 517    | 527   | 536   |
| Estimated Outlays   | 25                                      | 180    | 328    | 409   | 466   |
| Safe Water:   |   |        |        |       |       |
| Estimated Authorization Level                                   | 50                                      | 135    | 305    | 390   | 470   |
| Estimated Outlays   | 4                                       | 31     | 91     | 195   | 292   |
| Debt Relief for the Poorest:                                    |   |        |        |       |       |
| Estimated Authorization Level                                   | 0                                       | 155    | 75     | 75    | 75    |
| Estimated Outlays   | 0                                       | 15     | 84     | 92    | 83    |
| Office Building for American Institute in Taiwan:               |   |        |        |       |       |
| Estimated Authorization Level                                   | 0                                       | 78     | 0      | 0     | 0     |
| Estimated Outlays   | 0                                       | 12     | 23     | 35    | 8     |
| Personnel Benefits and Other Programs:                          |   |        |        |       |       |
| Estimated Authorization Level                                   | 4                                       | 10     | 10     | 10    | 11    |

TABLE 2.—ESTIMATED AUTHORIZATIONS IN S. 600, THE FOREIGN AFFAIRS AUTHORIZATION ACT, FISCAL YEARS 2006 AND 2007—Continued

|  | By fiscal year, in millions of dollars— |        |        |       |       |
|--|---|--------|--------|-------|-------|
|  | 2006                                    | 2007   | 2008   | 2009  | 2010  |
| Estimated Outlays .....                              | 3                                       | 9      | 10     | 10    | 11    |
| Indefinite Authorizations for Currency Fluctuations: |   |        |        |       |       |
| Estimated Authorization Level .....                  | 8                                       | 8      | 0      | 0     | 0     |
| Estimated Outlays .....                              | 8                                       | 8      | 0      | 0     | 0     |
| Total Estimated Authorizations:                      |   |        |        |       |       |
| Estimated Authorization Level .....                  | 686                                     | 1,021  | 1,035  | 1,133 | 1,226 |
| Estimated Outlays .....                              | 97                                      | 366    | 660    | 869   | 991   |
| Total Authorizations:                                |   |        |        |       |       |
| Estimated Authorization Level .....                  | 29,872                                  | 30,748 | 1,035  | 1,133 | 1,226 |
| Estimated Outlays .....                              | 14,690                                  | 22,904 | 11,664 | 5,994 | 3,666 |

<sup>1</sup> The estimated authorization for 2007 is the 2006 authorization level adjusted for inflation.

<sup>2</sup> The estimated authorization for 2006 does not include \$1,970 million for the Global HIV/AIDS Initiative and \$594 million for HIV/AIDS programs in Child Survival and Disease and other programs that are authorized by Public Law 108–25, the U.S. Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003.

#### *Reconstruction and Stabilization Civilian Management Act of 2005*

Title VII of the bill would authorize the President to provide assistance to stabilize and rebuild a country or region that is in, or emerging from, conflict or civil strife. The bill would authorize assistance to respond to international crises through a new emergency fund and it would establish an Office of Reconstruction and Stabilization within the Department of State to provide civilian management of stabilization and reconstruction efforts. The bill would authorize the appropriation of \$24 million in 2006 and such sums as may be necessary in 2007 for personnel, education and training, equipment, and travel costs. It would authorize an initial appropriation of \$100 million for the emergency fund plus a permanent, indefinite authorization of such sums as may be necessary to replenish funds expended. In addition, it would authorize the President to waive the percentage and aggregate dollar limitations in current law regarding various authorities to draw down or to transfer resources to respond to such crises.

*Office of Reconstruction and Stabilization.* Section 706 would authorize a new office within the Department of State with responsibility to monitor and assess international crises, to prepare contingency plans for various types of crises, to identify and train personnel with necessary skills for stabilization and reconstruction operations, and to coordinate the U.S. efforts should the President decide to respond to any crisis. The Office of Reconstruction and Stabilization was created in August 2004.

The bill also would authorize the establishment of a response readiness corps with up to 250 members to staff the office and for deployment on short notice, plus a readiness reserve from current federal employees and up to 500 nonfederal personnel to support operations if needed. The costs of activating the corps would be paid from the emergency fund. Based on information from the State Department, CBO estimates that annual costs associated with the office and the response readiness corps would be \$24 million, adjusted annually for inflation.

*Emergency Fund.* Section 705 would authorize \$100 million for an emergency stabilization and reconstruction fund. Considering the number of regions in the world in conflict or recovering from conflict and that appropriations for the reconstruction of Iraq and Afghanistan have totaled nearly \$24 billion over the 2003–2005 period, reconstruction could require much larger funding levels than the amount authorized. CBO estimates that the emergency fund would be used for an initial response to an international crisis and not for major reconstruction efforts which are discussed below. For this estimate, CBO assumes that the fund would be replenished—through discretionary appropriations—on an annual basis at the \$100 million level, adjusted for inflation, and that it would be used for a mix of activities with an

aggregate spending pattern similar to the Economic Support Fund.

#### *Famine and Reconstruction Assistance*

Section 2205 would expand the purposes for which appropriations for international disaster assistance may be provided to include programs of famine relief and reconstruction following manmade or natural disasters abroad. The bill would authorize the appropriation of \$656 million in 2006 for international disaster and famine assistance, but not reconstruction. Reconstruction following manmade or natural disasters can be very expensive and has often been funded by supplemental appropriations.

This year the President is requesting supplemental appropriations of \$0.7 billion for tsunami relief and reconstruction and nearly \$2.0 billion for Afghanistan. Those amounts are in addition to \$100 million enacted for Central America and the Caribbean to recover after disastrous hurricanes last fall. While it is impossible to estimate future funding levels on an annual basis, CBO estimates that meeting the expanded purposes could require appropriations of several hundred million dollars to one billion dollars above the level specified by the bill for countries emerging from natural disasters, conflict, or civil strife. For this estimate, based on historical funding for similar activities, CBO assumes the costs for implementing this section would total about \$500 million each year over the 2006–2010 period, assuming the appropriation of the necessary funds. Spending of such funding would likely occur over a period of years so that annual outlays would start well below that level, and grow gradually.

#### *Safe Water*

Title XXVI would authorize the President to furnish assistance to improve the safety of water supplies in developing countries, to expand access to safe water and sanitation, and to promote sound water management. In addition to grant assistance to local governments and nongovernmental organizations, it would authorize the President to create a pilot program with the authority to issue investment insurance, investment guarantees, and loan guarantees; to provide direct investment or investment encouragement; and to carry out special projects and programs for eligible investors to assist in the development of safe drinking water and sanitation infrastructure. It would authorize the appropriation of such sums as may be necessary over the 2006–2011 period to carry out the title.

The bill would, to the extent provided for in advance in appropriation acts, authorize the President to create such legal mechanisms as may be necessary for implementing the authorities under the pilot program and to deem such legal mechanisms to be non-federal borrowers for purposes of the Federal Credit Reform Act. It would, notwithstanding any other provision of law, authorize the President to provide assistance under the pilot program in the form of partial loan

guarantees of up to 75 percent of the total amount of the loan.

It is unclear whether the pilot program would be entirely new or would be an augmentation of the existing credit programs of the U.S. Agency for International Development and Overseas Private Investment Corporation. It is also unclear whether this new program would create federal or nonfederal entities (legal mechanisms) or whether credit reform treatment would apply. However, it is clear that the bill would intend that resources devoted to providing safe water be increased. For the purpose of the estimate, CBO assumes the bill would double the assistance for safe water provided to Sub-Saharan Africa in 2004, or an increase in 2006 of \$50 million over the amounts otherwise authorized in the bill, and that amount would increase over the next five years to \$470 million, or the amount spent in 2004 for water programs including those in Iraq. Because the cost recovery of water investments projects would be in local currencies, CBO assumes that investments relying on hard-currency credits would remain unattractive and would be little used.

#### *Debt Relief for the Poorest*

Section 2214 would authorize the appropriation of \$100 million in 2006 for the cost, as defined by the Federal Credit Reform Act, of restructuring bilateral debts, for debt relief under the Tropical Forest Conservation Initiative, and for a contribution to the Heavily Indebted Poor Countries Trust Fund administered by the World Bank. In addition, section 2221 would authorize the President to reduce the U.S. bilateral debt of low-income countries as part of multilateral debt-relief agreements, commonly referred to as the Paris Club, limited to such extent or in such amounts as may be provided in advance in an appropriation act. That authorization is the same as the authorization contained in general provisions of annual appropriation acts for nearly a decade.

The U.S. government has forgiven the bilateral debt that it once held for most of the world's poorest countries; however, it still holds the debt of some of the world's poorest countries such as the Democratic Republic of the Congo, Afghanistan, Sudan, Somalia, and Liberia. Congo has been offered multilateral debt relief by the Paris Club. At some point after 2006, the other poor countries may meet the minimum requirements for multilateral debt relief as stipulated by the bill. We cannot project the exact timing of such action, but given the experience of other countries emerging from internal conflict, we estimate that it would take at least two to three years after a reconstituted civilian government is established in those countries before any multilateral debt agreement would be negotiated. While the bill does not specifically authorize the appropriation of any funds, CBO estimates that the present value of all debt of low-income countries held by the U.S. government to be between \$550 million and \$600 million. CBO estimates

that forgiving bilateral loans to Congo would cost about \$235 million in 2007, an increase of \$155 million over the amount authorized for 2006. CBO estimates that forgiving the bilateral loans to other poor countries would cost about \$75 million a year over the 2008-2010 period, assuming appropriation of the necessary amounts.

*Office Building for American Institute in Taiwan (AIT)*

Section 211 would amend current law to authorize such sums as may be necessary for the construction of a new office building for the AIT in Taipei, Taiwan. Public Law 106-212 authorized the appropriation of \$75 million for the facility without fiscal year limitation. According to the Department of State, the projected cost of the building is now \$153 million, and roughly \$20 million has been spent on site acquisition and design. CBO estimates a net increase in authorization of \$78 million and assumes that construction would begin in 2007 and end in 2010.

*Personnel Benefits*

S. 600 contains several provisions that would provide benefits to State Department personnel that would increase costs by up to \$10 million each year, assuming the appropriation of the necessary funds.

*Hardship and Danger Pay Allowances.* Section 303 would increase the cap on hardship allowances and danger pay allowances from 25 percent to 35 percent of basic pay for employees serving overseas. Based on information from the Department of State, CBO estimates implementing this section would cost about \$6 million a year, assuming the appropriation of the necessary funds.

*Educational Expenses of Dependent Children.* Section 301 would authorize payments for certain educational expenses of dependent children of Foreign Service employees posted overseas. Section 506 would allow the BBG to pay for the educational expenses of certain dependents of employees in the Commonwealth of the Northern Mariana Islands. Based on information from the Department of State and the BBG, CBO estimates implementing these provisions would cost about \$3 million annually.

*Housing for Employees.* Section 318 would allow the department to provide housing to 10 more employees of the U.S. Mission to the United Nations in New York City. Based on information from the State Department, CBO estimates the additional housing would cost between \$500,000 and \$1 million a year, assuming the availability of appropriated funds.

*Indefinite Authorizations for Currency Fluctuations*

Section 102(c) would authorize the appropriation of such sums as may be necessary in 2006 and 2007 to compensate for adverse fluctuations in exchange rates that might affect contributions to international organizations. Any funds appropriated for this purpose would be obligated and expended subject to certification by the Office of Management and Budget. CBO estimates that the dollar will decline roughly 2 percent in 2006 and that the Department of State would require an additional \$8 million that year to fully pay assessed contributions to international organizations. Currency fluctuations over the longer term are extremely difficult to project, and they could result in spending either higher or lower than the amounts specifically authorized in the bill for contributions to international organizations and programs. Therefore, this estimate assumes no additional currency fluctuations in 2007.

*Miscellaneous Provisions*

S. 600 would authorize several new or expanded programs. In general, the bill would fund these programs through earmarks of funds otherwise authorized or the provisions would have an insignificant impact on spending subject to appropriation, CBO estimates.

Section 213 would create a Victims of Crime Office within the Department of State and authorize the department to provide services and financial assistance from its emergency fund to U.S. nationals who become crime victims overseas. CBO cannot estimate the budgetary impact of this provision given the uncertainties associated with estimating how many individuals may be victimized and whether victims of terrorist acts would also be covered under this provision.

Title XXIII would authorize assistance to reduce the threat to diplomatic missions abroad from an attack using radioactive materials. In particular, it would authorize assistance to foreign countries to develop appropriate response plans and to train foreign personnel who would be the first to respond to such an attack. The bill would earmark \$2 million from the amount authorized elsewhere in the bill for Nonproliferation, Anti-Terrorism, Demining and Related (NADR) programs to fund these activities.

Title XXIV would authorize a program of global pathogen surveillance to assist in the monitoring and response to bioterrorism and outbreaks of infectious disease. The bill would earmark \$35 million from the amount authorized for NADR to fund these activities.

Title XXVIII would authorize a program for safeguarding and eliminating man-portable air-defense systems and other conventional arms. It would earmark \$20 million from amounts otherwise authorized in the bill.

Section 2224 would authorize the Secretary to designate a nonprofit organization as the Middle East Foundation and to fund the organization through grants. While the provision is silent on the level of funding, the President is requesting \$25 million for the foundation.

Section 2211 would authorize appropriations for educating children in Afghanistan about the dangers of land mines.

The bill includes numerous provisions that would expand or introduce new reporting requirements and other provisions that would eliminate or consolidate existing reporting requirements.

*Direct Spending and Revenues*

CBO estimates that S. 600 would raise direct spending by \$33 million in 2006 and by \$87 million over the 2006-2015 period (see Table 3). The bill also contains provisions that would increase and decrease governmental receipts (revenues), but CBO estimates that the net effect of these provisions would be less than \$500,000 a year.

TABLE 3. ESTIMATED DIRECT SPENDING AND REVENUES IN THE FOREIGN AFFAIRS AUTHORIZATION ACT, FISCAL YEARS 2006 AND 2007

[By fiscal year, in millions of dollars]

|                           | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Changes in Outlays .....  | 0    | 33   | 14   | 11   | 11   | 11   | 3    | 1    | 1    | 1    | 1    |
| Changes in Revenues ..... | 0    | (*)  | (*)  | (*)  | (*)  | (*)  | (*)  | (*)  | (*)  | (*)  | (*)  |

Note: (\*) = less than \$500,000.

*Buying Power Maintenance Account*

The State Department may maintain an approved level of program activity in the face of currency fluctuations through a Buying Power Maintenance Account. Under current law, the Secretary of State may transfer any current funds in excess of needs that result from an increase in the purchasing power of the dollar from accounts under "Administration of Foreign Affairs" to the Buying Power Maintenance Account. The funds in the account are available for transfer back to those accounts only to offset future adverse fluctuations in exchange rates or overseas wage or price levels. The Secretary may also transfer unavailable balances into the Buying Power Maintenance Account, but only to the extent and in such amounts as specifically provided in advance in appropriation acts. No appropriation act has ever provided that authority. Section 207 of the bill would strike the requirement for appropriation action, thus allowing the Secretary to transfer lapsed funds into the Buying Power Maintenance Account and making them available to offset future adverse currency fluctuations.

According to the Treasury Combined Statement on Receipts, Outlays, and Balances, 2004, the Department of State had \$80 million in unobligated, unavailable balances in various accounts in the Administration of Foreign Affairs bureau at the start of 2005. Under the bill, such balances could be transferred into the Buying Power Maintenance account upon enactment and made available to meet adverse exchange rate fluctuations. In addition, CBO estimates approximately 0.5 percent of obligated balances, or about \$20 million, would be deobligated each year and reappropriated under the bill. Because we estimate the dollar will decline in value over the next year, we estimate that about half of the funds would be transferred out of the Buying Power Maintenance Account and spent. In total, we estimate direct spending of about \$80 million over the 2006-2015 period.

*Medical Reimbursements*

Section 206 would provide the State Department greater flexibility in retaining reimbursements for funding medical care provided to employees and eligible family members overseas. Based on information from the

department, CBO estimates that it would collect and spend between \$500,000 and \$1 million a year.

*Other Provisions*

CBO estimates that several provisions in the bill would affect direct spending and revenues by less than \$500,000 annually.

Section 318 would exempt, for federal income tax purposes, housing allowances paid to employees of the U.S. Mission to the United Nations in New York City. The Joint Committee on Taxation estimates that the provision would reduce tax receipts by less than \$500,000 each year, assuming it would be effective for allowances paid on or after October 1, 2005.

Sections 201 and 203 would raise governmental receipts (revenues) by establishing new criminal penalties that would be assessed against persons interfering with the law enforcement and protective functions of State Department special agents and guards. CBO estimates that the increase in revenues would not be significant in any year. Collections of criminal fines are deposited in the Crime Victims Fund and are later spent. CBO estimates that the criminal penalties

that would be established under the bill would increase direct spending from the Crime Victims Fund by less than \$500,000 per year.

Section 205 would allow the State Department's International Litigation Fund to retain awards of costs and attorneys' fees as a result of a decision by an international tribunal. Based on information from the department, CBO estimates that the Department of State would collect and spend less than \$500,000 a year.

Section 214 would authorize the Secretary to provide museum visitor and educational outreach services and to sell, trade, or transfer documents and articles that are displayed at the United States Diplomacy Center. Any proceeds generated from these services or sales would be retained and spent by the center, and CBO estimates that this provision would have an insignificant net effect on direct spending.

Several sections in title III of the bill would amend retirement benefits for State Department personnel by slightly broadening the authority of the department to temporarily rehire Foreign Service retirees without terminating their pension benefits; changing personnel review and termination procedures for each Foreign Service class; establishing a 60-day deadline for the Office of Personnel Management to issue regulations in accordance with a previously enacted change in pension benefits for certain spouses of Foreign Service workers; and allowing employees of Office of Coordination for Reconstruction and Stabilization to continue collecting full retirement annuities provided by the Foreign Service retirement system. Under current law, Foreign Service retirement benefits are temporarily suspended during any period of reemployment by the federal government. CBO estimates that enacting the provisions would increase direct spending by less than \$500,000 annually over the 2005-2015 period.

Section 2207 would authorize the President to waive the requirement that a foreign government pay to the United States the net proceeds from the sale of any military equipment it has received from the United States on a grant basis. CBO estimates the forgone offsetting receipts would not be significant.

#### INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 600 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

#### Estimate Prepared By:

Federal Costs—State Department: Sunita D'Monte; Foreign Aid: Joseph C. Whitehill; Foreign Service Retirement: Geoffrey Gerhardt; Law Enforcement: Mark Grabowicz; Revenue Effects: Annabelle Bartsch.

Impact on State, Local, and Tribal Governments: Melissa Merrell.

Impact on the Private Sector: Paige Piper/Bach.

#### Estimate Approved By:

Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

#### DIVISION B—FOREIGN ASSISTANCE AUTHORIZATION ACT, FISCAL YEAR 2006

##### (A) SUMMARY OF FUNDS

(In millions of dollars)

|   | FY 2005<br>estimate | FY 2006<br>request | Com-<br>mittee<br>mark |
|---|---------------------|--------------------|------------------------|
| Child Survival & Health Programs  |                     |                    |                        |
| Fund (CSH) .....  | 1,538               | 1,252              | 1,252                  |
| Global Fund to Fight AIDS, Tuberculosis, and Malaria <sup>1</sup> ..... | (248)               | (100)              | (100)                  |
| Development Assistance (DA) .....                                       | 1,448               | 1,103              | 1,103                  |
| International Disaster and Famine Assistance .....                      | 485                 | 656                | 656                    |

(In millions of dollars)

|   | FY 2005<br>estimate | FY 2006<br>request | Com-<br>mittee<br>mark |
|---|---------------------|--------------------|------------------------|
| Transition Initiatives .....  | 49                  | 325                | 325                    |
| Development Credit Authority (DCA) ....                                     | 8                   | 8                  | 8                      |
| USAID Operating Expenses (OE) .....   | 613                 | 681                | 681                    |
| USAID Capital Investment Fund .....   | 59                  | 78                 | 78                     |
| USAID Inspector General Operating Expenses (IG) .....                       | 35                  | 36                 | 36                     |
| Economic Support Fund (ESF) .....   | 2,481               | 3,036              | 3,036                  |
| Assistance for Eastern Europe and the Baltic States (SEED) .....            | 393                 | 382                | 382                    |
| Assistance for the Independent States of the Former Soviet Union (FSA) .... | 556                 | 482                | 482                    |
| Peace Corps .....   | 317                 | 345                | 345                    |
| Inter-American Foundation .....   | 18                  | 18                 | 18                     |
| African Development Foundation .....  | 19                  | 19                 | 19                     |
| Millennium Challenge Corporation .....                                      | 1,488               | 3,000              | 3,000                  |
| International Narcotics Control and Law Enforcement (INCLE) .....           | 326                 | 524                | 524                    |
| Andean Counterdrug Initiative (ACI) ....                                    | 725                 | 735                | 735                    |
| Nonproliferation, Anti-Terrorism, Demining (NADR) .....                     | 399                 | 440                | 440                    |
| Treasury Technical Assistance .....   | 19                  | 20                 | 20                     |
| Debt Relief .....   | 99                  | 100                | 100                    |
| International Military Education & Training (IMET) .....                    | 89                  | 87                 |                        |
| Foreign Military Financing (FMF) .....                                      | 4,745               | 4,589              | 4,589                  |
| Peacekeeping Operations (PKO) .....   | 178                 | 196                | 196                    |
| International Organizations & Programs (IO&P) .....                         | 326                 | 282                | 282                    |
| Total .....   | 16,413              | 18,394             | 18,394                 |

<sup>1</sup> The administration requested \$3.16 billion for international HIV/AIDS, tuberculosis, and malaria programs in FY2006, a 9 percent increase over the estimated amount to be provided in FY2005. The request included \$2.564 billion to be appropriated through the Foreign Operations appropriations and \$596 million through appropriations for the Departments of Labor and Health and Human Services.

This bill authorizes part of this request through the Child Survival and Health (CSH) account which includes the President's request of \$439 million for HIV/AIDS, tuberculosis, and malaria programs. The authorized amount for the CSH account also includes \$100 million for the Global Fund to Fight AIDS, Tuberculosis, and Malaria. (The President requested \$300 million to be appropriated for contributions to the Global Fund; the other \$200 million is divided between the Global HIV/AIDS Initiative (\$100 million) and NIH/HHS (\$100 million).) The GHAI account, for which the President requested \$1.87 billion, is not authorized in this bill because it is already authorized in the United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2003 (P.L. 108-25).

#### THE BUDGET

Mr. JEFFORDS. Mr. President, a Federal budget is about setting priorities, and the priorities contained in this budget are all wrong.

About a year ago, Tom Friedman of the New York Times, described the President's budget as "faith-based." Faith-based tax cuts were going to generate faith-based revenues, and we were all going to be better off. Well, the deficit is skyrocketing, interest rates are going up, and additional revenues haven't magically appeared.

If the budget before us were to pass unchanged, the deficit would increase each and every year for the foreseeable future. Vermonters understand that this is a burden we don't want to pass on to our grandchildren. We have fallen into a borrowing pattern that makes this Yankee cringe.

But let me emphasize that the deficits that we are now facing are primarily caused by a drop in revenues, not by wasteful spending on such things as education, veterans' benefits, and Amtrak. We could eliminate all of the Federal Government's discretionary spending outside of defense and we would still have a deficit.

On the mandatory side of the budget, I agree that we need to get a handle on increases in Medicaid spending and the pressures on Social Security due to the aging baby boom generation. But this budget fails to confront these challenges and in the case of Social Security pretends there is no problem.

How can we pass a budget that ignores the cost of the Iraq War after September 30? How can we pass a budget that includes more tax cuts for the few, but doesn't budget for the reform of the alternative minimum tax or the President's own Social Security proposal?

How can we pass a budget that forces us to "pay for" any increases in programs for our neediest citizens but doesn't require us to "pay for" tax cuts for the well-to-do? If we are to reinstate the pay-as-you-go rule, then it should, as it always has, include paying for both new spending and new tax cuts.

Speaking of tax cuts, I have grown very tired of the economic doublespeak now in fashion. If tax cuts were the policy of choice when we had large surpluses, and they are still the policy of choice when we now have large deficits, when if ever are tax cuts not the appropriate policy? Perhaps the families in Vermont who used up their heating assistance funds before winter was over, or the veteran on a waiting list for a medical procedure at a VA hospital, would prefer an increase in government spending to a tax cut.

Priorities, it is all about priorities.

We are 2 years into a war. American service men and women continue to come home with horrific wounds, both physical and mental. While the Department of Defense is keeping wounded soldiers in its medical system for longer periods of time and is shouldering a greater share of the costs, the long-term costs of health care and rehabilitation still fall heaviest on the Veterans Administration.

This budget responds by underfunding the VA by almost \$16 billion over the next 5 years. How can we do this in the midst of a war? How can the President in good conscience insist on maintaining large numbers of troops in Iraq, and yet refuse to provide for the health care needs of veterans? This is unacceptable.

This budget drastically cuts the Community Development Block Grant, CDBG, program and other programs that our communities rely on. These programs now benefit so many Vermonters who struggle to make ends meet. This budget would consolidate 18 programs, including the CDBG, and slashes their funding by 34 percent. In Vermont, this budget would most harshly affect middle and low-income citizens by making safe and affordable housing unattainable, ending quality childcare programs, and compromising nutrition assistance. Funding for these important economic development programs must be restored.

I am very concerned that agriculture, conservation, and food assistance programs are faced with drastic cuts in funding. The Milk Income Loss Contract Program, MILC, which the President saw fit to include in his proposed budget, has been left out of this budget resolution. The MILC Program is necessary to help family farmers through tough times when milk prices are low.